

COUNTY OF LOS ANGELES

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Director

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DEPARTMENT OF MENTAL HEALTH

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<http://dmh.co.la.ca.us>

April 17, 2003

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**AUTHORIZATION TO IMPLEMENT TRANSITIONAL HOUSING PROGRAM
WITH A COMMUNITY OF FRIENDS
AND
APPROVAL OF REQUEST FOR
APPROPRIATION ADJUSTMENT FOR FISCAL YEAR 2002-2003
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the implementation of the Step-Out Transitional Housing Program (THP) with A Community Of Friends (ACOF) for a three-year term, for a total cost of \$483,000, effective upon Board approval. This collaborative project involves the Los Angeles County Departments of Mental Health (DMH) and Children and Family Services (DCFS), as is more fully set forth herein. Approve and instruct the Director of Mental Health to prepare, sign, and execute an Agreement (substantially similar to Attachment I) with ACOF to implement the THP.
2. Authorize the receipt of \$483,000 for a three-year term from DCFS Independent Living Program (ILP) funds for operational and supportive services for the THP.
3. Approve the Request for Appropriation Adjustment for \$27,000 for Fiscal Year (FY) 2002-2003 (Attachment II).
4. Delegate authority to the Director of Mental Health to prepare, sign, and execute future amendments to the Agreement with ACOF provided that: 1) the County's total payments to contractor under the Agreement for each fiscal year shall not exceed a change of twenty percent from the applicable revised Maximum Contract Amount; 2) any increase shall be used to provide additional services or to reflect program and/or policy changes; 3) the Board of Supervisors has

appropriated sufficient funds for all changes; 4) approval of County Counsel and the Chief Administrative Officer or his designee is obtained prior to any such Amendment; 5) the parties may by mutual written amendment agree to reduce programs or services without reference to the twenty percent limitation; and 6) the director of Mental Health shall notify the Board of Supervisors of Agreement changes in writing within 30 days after execution of each Amendment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

The purpose of the recommended actions is to implement the THP, which was initiated by the Board of Commissioners through the adoption of a Board Letter on September 5, 2000 (See Attachment III). The THP will serve mentally disabled young adults ages 18 to 21, who have emancipated from foster care. Through a variety of support services and housing, the THP will assist this population to succeed in independent living. This project is a collaborative effort by DMH, ACOF and DCFS. The respective Directors of DMH and DCFS subscribe to and support the specific implementation of the program as set forth in this Board Letter.

The Los Angeles foster care system serves over 50,000 youth who come from all parts of Los Angeles County. Each year 1,000 – 1,500 youth emancipate from the County foster care system and face enormous challenges among which housing is a critical need. DCFS has developed various housing and supportive service programs designed to prepare these young adults for living on their own, and currently operates a network of transitional housing programs that serves 250 young adults. The current proposed THP is located in Service Area 6. Construction is complete and the THP facility is ready for occupancy. This Service Area has the largest concentration of foster homes in the County. There is a critical need for transitional housing to accommodate these youth when they emancipate from their foster care placement. It should be noted that youth from other departments who meet the criteria will be eligible for the THP.

DMH will contract with ACOF to operate the THP. ACOF has 15 years of experience in developing service-enriched housing for persons with mental disabilities. The program will provide transitional housing, support services and training in independent living skills to young adults with mental disabilities.

Implementation of Strategic Plan Goals

The recommended Board actions are consistent with the County's fifth goal— Children And Families' Well-Being: "Improve the well-being of children and families in Los Angeles County as measured by the achievements in the five outcome areas adopted by the Board." The THP has a direct focus on improving the lives of young adults who

are emancipated foster youth with mental disabilities, and providing them with housing and support services.

FISCAL IMPACT/FINANCING

The THP will not increase net County cost. During FY 2002-2003 the project will require funding and an appropriation adjustment of \$27,000 from DCFS-ILP funds. This amount was not included in DMH's FY 2002-2003 Adopted Budget due to the continuing development of the project during the budget process.

In subsequent fiscal years, DMH will request the total annual operational and supportive services cost of \$161,000 for FY's 2003-2004 and 2004-2005 and \$134,000 for FY 2005-2006 that will cover the full 36 months of this project.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

DMH will serve as the lead agency for the project, administer the ILP funding, provide mental health services, and enter into a contractual agreement with ACOF to provide the THP. The housing will accommodate twenty persons and one resident property manager (eleven two-bedroom units) and one office for program staff. The THP will be located in the unincorporated Los Angeles area of Willowbrook. The goal of the program is to assist youth in obtaining and remaining in permanent housing, enhance skills, increase income level and achieve greater self-determination.

DMH and DCFS will each designate an in-kind Project Manager to provide liaison services between Departments, participate as a member of the interagency screening panel, provide guidance and technical assistance, and assist in resolving policy issues as they relate to the program. In addition, the DMH Project Manager will ensure that program participants are able to access medication support through its directly operated or contracted outpatient clinics and monitor the program. DCFS will provide \$161,000 annually, or for a partial fiscal year, a pro-rated portion thereof to DMH to fund the project's operating and supportive services expenses. DCFS will also provide the following in-kind services: outreach, appropriate referrals, and provision of independent living skills training.

Supportive services will be provided by one DMH full-time equivalent (FTE) case manager and one ACOF FTE case manager and will be augmented by the DMH directly operated clinics in SA 6. Mental health services will include: assessment, case planning, mental health services, case management, crisis intervention, vocational services, medication support, educational linkages, assistance in locating permanent housing, and referrals for other community resources. Additionally, services will

address co-occurring substance abuse as it pertains to the mental illness. Mentally disabled young adults will be referred to substance abuse treatment as appropriate and necessary.

The proposed actions have been reviewed and approved by County Counsel, the Chief Administrative Office, both DMH and DCFS's respective Directors, and Fiscal and Program Staff. The attached formats have been approved as to form by County Counsel.

CONTRACTING PROCESS

The Board of Commissioners and your Board of Supervisors through the adoption of a Board Letter on September 5, 2000 initiated this THP. At that time, ACOF was designated as the provider for THP. The Department currently contracts with two Special Needs Housing Developers, both of whom have unique qualifications to provide housing and support services to this at-risk population of mentally disabled young adults who might otherwise remain or become homeless. This is the second THP that the Department has developed with DCFS, the first being with another Special Needs Housing Developer. Since ACOF is uniquely qualified to provide specialty services for an explicit population, this was not posted on the Office of Small Business' website.

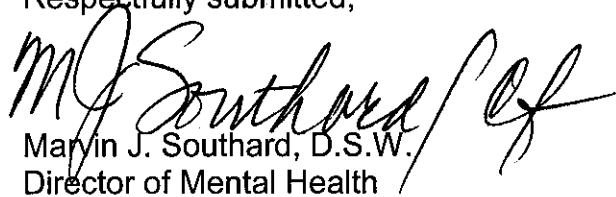
IMPACT ON CURRENT SERVICES

The requested actions will allow for the THP, located in SA 6, to provide a housing and service program for young adults with mental disabilities who have emancipated from foster care. This project targets a critical gap in the continuum of care and services for an underserved population of youth who are at substantial risk of remaining or becoming homeless. In addition, the THP affords them opportunities to reach milestones such as economic self-sufficiency, the ability to obtain permanent housing, and greater self-determination.

CONCLUSION

The Department of Mental Health will need one (1) copy of the adopted Board's action. It is requested that the Executive Officer, Board of Supervisors notify the Department of Mental Health's Contract Development and Administration Division at (213) 738-4684, when these documents are available.

Respectfully submitted,


Marvin J. Southard, D.S.W.
Director of Mental Health

MJS:RK:ds

Attachments (3)

- c: Chief Administrative Officer
County Counsel
Executive Office, Board of Supervisors
Auditor-Controller
Department of Children and Family Services
Chairperson, Mental Health Commission

ATTACHMENT I

CONTRACTOR:

Business Address:

Supervisory District _____

Contract Number

Reference Number

TRANSITIONAL HOUSING SERVICES AGREEMENT

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(hereafter "Contractor")

Business Address:

WHEREAS, Contractor is equipped, staffed, and prepared to provide these services as described in this Agreement; and

WHEREAS, County believes it is in the best interest of the people of the County of Los Angeles to provide these services by contract; and

WHEREAS, the services to be performed hereunder are of a professional or technical nature and are of a temporary nature; and

WHEREAS, the following terms, as used in this Agreement, shall have the following meanings:

- A. "Day(s)" means calendar day(s) unless otherwise specified;
- B. "Director" means County's Director of Mental Health or her authorized designee;
- C. "DMH" means County's Department of Mental Health;
- D. "State" means the State of California; and

WHEREAS, this Agreement is authorized by California Welfare and Institutions Code Section 5600 et seq., California Government Code Sections 23004, 26227 and 53703, and otherwise.

NOW, THEREFORE, Contractor and County agree as follows:

1. TERM:

A. Initial Period: The Initial Period of this Agreement shall commence on _____ and shall continue in full force and effect through _____.

B. Automatic Renewal Period(s): After the Initial Period, this Agreement shall be

1 automatically renewed without further action by the parties hereto unless either party desires to
2 terminate this Agreement at the end of the Initial Period and gives written notice to the other party not
3 less than thirty days prior to the end of the Initial Period.

4 (1) First Automatic Renewal Period: If this Agreement is automatically renewed,
5 the First Automatic Renewal Period shall commence on _____ and shall continue in full force
6 and effect through _____.

7 (2) Second Automatic Renewal Period: If this Agreement is automatically
8 renewed, the Second Automatic Renewal Period shall commence on _____ and shall continue
9 in full force and effect through _____.

10 (3) Third Automatic Renewal Period: If this Agreement is automatically renewed,
11 the Third Automatic Renewal Period shall commence on _____ and shall continue in full force
12 and effect through _____.

13 2. ADMINISTRATION: Director shall have the authority to administer this Agreement on behalf
14 of County. Contractor shall designate in writing an on-site Case Manager who shall function as
15 liaison with County regarding Contractor's performance hereunder.

16 3. DESCRIPTION OF SERVICES: Contractor shall provide transitional housing and supportive
17 services as set forth in Exhibit A (Statement of Work).

18 4. REIMBURSEMENT:

19 A. County shall reimburse Contractor for all operational expenses as described in Exhibit
20 A. Operational expenses include, but are not limited to utilities, insurance, property management
21 and property maintenance, food, personal and incidental items and household goods, such as bed
22 linens, towels, kitchen supplies, etc. as described in Exhibit A.

23 B. The Maximum Contract Amount for FY 2002-2003 of this Agreement shall not
24 exceed _____ DOLLARS (\$ _____). In no
25 event shall County pay Contractor more than this Maximum Contract Amount for Contractor's
26 performance hereunder, nor shall Contractor's total billings exceed this amount.

27 C. The Maximum Contract Amount for FY 2003-2004 of this Agreement shall not
28 exceed _____ DOLLARS (\$ _____). In no event
29 shall County pay Contractor more than this Maximum Contract Amount for Contractor's
30 performance hereunder, nor shall Contractor's total billings exceed this amount.

31 D. The Maximum Contract Amount for FY 2004-2005 of this Agreement shall not
32 exceed _____ DOLLARS (\$ _____). In no event
33 shall County pay Contractor more than this Maximum Contract Amount for Contractor's
34 performance hereunder, nor shall Contractor's total billings exceed this amount.

1 E. The Maximum Contract Amount for FY 2005-2006 of this Agreement shall not
2 exceed _____ DOLLARS (\$_____). In no event
3 shall County pay Contractor more than this Maximum Contract Amount for Contractor's
4 performance hereunder, nor shall Contractor's total billings exceed this amount.

5 5. PAYMENT: County shall reimburse Contractor on an allowable expenses basis, monthly in
6 arrears, for services eligible for reimbursement as described in Exhibit A. Contractor shall submit for
7 payment a monthly billing to County and payment shall be subject to the following:

8 A. Each billing shall be submitted to DMH, Homeless and Housing Services Division,
9 3160 West Sixth Street, 3rd Floor, Los Angeles, California 90020.

10 B. Total billings shall not exceed _____ DOLLARS
11 (\$_____) for FY 2002-2003.

12 C. Total billings shall not exceed _____ DOLLARS
13 (\$_____) for FY 2003-2004.

14 D. Total billings shall not exceed _____ DOLLARS
15 (\$_____) for FY 2004-2005.

16 E. Total billings shall not exceed _____ DOLLARS
17 (\$_____) for FY 2005-2006.

18 F. If billings are not submitted as required by County, then payment shall be withheld
19 until County is in receipt of complete and correct billings.

20 6. LIMITATION OF COUNTY'S OBLIGATION DUE TO NONAPPROPRIATION OF FUNDS:

21 Notwithstanding any other provision of this Agreement, County shall not be obligated for
22 Contractor's performance hereunder or by any provision of this Agreement during this or any of
23 County's future fiscal years unless and until County's Board of Supervisors appropriates funds for
24 this Agreement in County's Budget for each such fiscal year. Should County, during this or any
25 subsequent fiscal year impose budgetary restrictions which appropriate less than the amount
26 provided for in Paragraph 4 (REIMBURSEMENT), Subparagraphs B, C, D or E of this Agreement,
27 County shall reduce services under this Agreement consistent with such imposed budgetary
28 reductions. In the event funds are not appropriated for this Agreement, then this Agreement shall
29 terminate as of June 30 of the last fiscal year for which funds were appropriated. County shall
30 notify Contractor of any such changes in allocation of funds at the earliest possible date.

31 7. COUNTY'S QUALITY ASSURANCE PLAN: The County or its agent will evaluate
32 Contractor's performance under this Agreement on not less than an annual basis. Such evaluation
33 will include assessing Contractor's compliance with all contract terms and performance standards.
34 Contractor deficiencies which County determines are severe or continuing and that may place

1 performance of the Agreement in jeopardy if not corrected will be reported to the Board of
2 Supervisors. The report will include improvement/corrective action measures taken by the County
3 and Contractor. If improvement does not occur consistent with the corrective action measures,
4 County may terminate this Agreement or impose other penalties as specified in this Agreement.

5 8. RECORDS AND AUDITS:

6 A. Contractor shall maintain accurate and complete financial records of its operations as
7 they relate to the services provided under this Agreement in accordance with generally accepted
8 accounting principles, and with all guidelines, standards, and procedures which may be provided by
9 County to Contractor. Minimum standards for accounting principles are set forth in County's
10 Auditor-Controller's Contract Accounting and Administration Handbook which shall be furnished to
11 Contractor by County upon request. Contractor shall also maintain accurate and complete records of
12 all services provided by all professional and other personnel and other records of all services provided
13 hereunder in sufficient detail to permit an evaluation and audit of the services provided under this
14 Agreement. All such records shall be maintained by Contractor at a location in Los Angeles County
15 during the term of this Agreement and for five years thereafter. During such retention period, all
16 such records shall be made available during County's normal business hours to representatives of
17 County and/or State governments for purposes of inspection, program review, and/or audit. In the
18 event any records are located outside Los Angeles County, then Contractor shall pay County for all
19 travel, per diem, and other costs incurred by County for any inspection or audit at such other
20 location.

21 B. In the event that any audit of any or all aspects of this Agreement is conducted of
22 Contractor by any Federal or State auditor, or by any auditor or accountant employed by Contractor
23 or otherwise, then Contractor shall file a copy of such audit report(s) with DMH's Contracts
24 Development and Administration Division within thirty days of Contractor's receipt thereof, unless
25 otherwise provided by applicable Federal or State law or under this Agreement.

26 C. Failure on the part of Contractor to comply with any of the terms of this Paragraph 8
27 shall constitute a material breach of this Agreement upon which County may terminate or suspend
28 this Agreement.

29 9. COUNTY AUDIT SETTLEMENTS: If, at any time during the term of this Agreement or at any
30 time after the expiration or termination of this Agreement, authorized representatives of County
31 conduct an audit of Contractor regarding the services provided hereunder and if such audit finds that
32 County's dollar liability for such services is less than payments made by County to Contractor, then,
33 the difference shall be: (1) repaid by Contractor to County by cash payment upon demand and/or
34 (2) at the sole discretion of Director, deducted from any amounts due by County to Contractor,

1 whether under this Agreement or otherwise. If such audit finds that County's dollar liability for
2 services provided hereunder is more than payments made by County to Contractor, then the
3 difference shall be paid to Contractor by County by cash payment, provided that in no event shall
4 County's Maximum Contract Amount, as set forth in Paragraph 4 (Reimbursement), be exceeded.

5 10. NOTICE OF DELAYS: Whenever County or Contractor has knowledge that any actual or
6 potential situation is delaying or threatens to delay the timely performance of this Agreement, such
7 party shall, within three business days, give notice thereof, including all relevant information with
8 respect thereto, to the other party.

9 11. FEDERAL ACCESS TO RECORDS: If, and to the extent that, Section 1861(v)(1)(I) of the
10 Social Security Act (42 United States Code Section 1395x(v)(1)(I)) is applicable, Contractor agrees
11 that for a period of four years following the furnishing of services under this Agreement, Contractor
12 shall maintain and make available, upon written request, to the Secretary of the United States
13 Department of Health and Human Services or the Controller General of the United States, or to any
14 of their duly authorized representatives, the contracts, books, documents and records of Contractor
15 which are necessary to verify the nature and extent of the cost of services hereunder. Furthermore,
16 if Contractor carries out any of the services provided hereunder through any subcontract with a
17 value or cost of TEN THOUSAND DOLLARS (\$10,000) or more over a twelve-month period with a
18 related organization (as that term is defined under Federal law), Contractor agrees that each such
19 subcontract shall provide for such access to the subcontract, books, documents and records of the
20 subcontractor.

21 12. REPORTS:

22 A. Contractor shall make reports as required by Director or State regarding Contractor's
23 activities and operation as they relate to Contractor's performance of this Agreement. In no event
24 may County require such reports unless it has provided Contractor with at least thirty days' prior
25 written notification. County shall provide Contractor with a written explanation of the procedures
26 for reporting the required information.

27 B. Income Tax Withholding:

28 (1) If Contractor has not had a DMH contract in effect for at least the last three
29 consecutive years, Contractor shall submit to DMH's Contracts Development and Administration
30 Division the following reports showing timely payment of employees' Federal and State income tax
31 withholding. Further, Contractor shall provide these reports to DMH whenever requested by
32 Director. These reports shall include, but are not limited to:

33 (a) Within ten days of filing with the Federal or State government, a
34 copy of Contractor's Federal and State quarterly income tax withholding returns (i.e., Federal Form

1 941 and/or State Form DE-3 or their equivalents).

2 (b) Within ten days of each payment, a copy of a receipt for, or other
3 proof of payment of, each employee's Federal and State income tax withholding, whether such
4 payments are made on a monthly or quarterly basis.

5 (2) Required submission of above quarterly and monthly reports by Contractor
6 may be waived or discontinued by Director in writing based on Contractor's demonstration of prompt
7 and appropriate payment of all its obligations. This Subparagraph B shall not apply to governmental
8 agencies.

9 13. NONDISCRIMINATION IN EMPLOYMENT:

10 A. Contractor certifies and agrees that all persons employed by it, its affiliates,
11 subsidiaries, or holding companies are and will be treated equally by it without regard to, or because
12 of, race, color, religion, national origin, ancestry, sex, age, or physical or mental handicap in
13 compliance with all applicable Federal and State anti-discrimination laws and regulations.

14 B. Contractor shall take affirmative action to ensure that qualified applicants are
15 employed, and that employees are treated during employment, without regard to race, color, religion,
16 national origin, ancestry, sex, age, or physical or mental handicap, in compliance with all applicable
17 Federal and State laws and regulations. Such action shall include, but is not limited to, the
18 following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff
19 or termination, rates of pay or other forms of compensation, and selection for training, including
20 apprenticeship.

21 C. Contractor shall post in conspicuous places in each of Contractor's facilities providing
22 services hereunder, available and open to employees and applicants for employment, notices setting
23 forth the provisions of this Paragraph 13.

24 D. Contractor shall deal with its subcontractors, bidders, or vendors without regard to or
25 because of race, color, religion, ancestry, national origin, sex, age, or physical or mental handicap.

26 E. Contractor shall allow County representatives access to its employment records
27 during regular business hours to verify compliance with the provisions of this Paragraph 13 when so
28 requested by Director.

29 F. Contractor shall comply with all applicable requirements of Section 504 of the
30 Rehabilitation Act of 1973 (29 United States Code Section 794). Policy and procedure guidelines
31 for such compliance are available to Contractor from the DMH's Personnel Division.

32 G. If County finds that any of the above provisions have been violated, the same shall
33 constitute a material breach of this Agreement upon which County may cancel, terminate, or
34 suspend this Agreement. While County reserves the right to determine independently that the

1 anti-discrimination provisions of this Agreement have been violated, in addition, a determination by
2 the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity
3 Commission that Contractor has violated State or Federal anti-discrimination laws or regulations shall
4 constitute a finding by County that Contractor has violated the anti-discrimination provisions of this
5 Agreement.

6 H. The parties agree that in the event Contractor violates any of the anti-discrimination
7 provisions of this Paragraph 13, County shall be entitled, at its option, to the sum of FIVE HUNDRED
8 DOLLARS (\$500) pursuant to California Civil Code Section 1671 as liquidated damages in lieu of
9 terminating or suspending this Agreement.

10 14. FAIR LABOR STANDARDS: Contractor shall comply with all applicable provisions of the
11 Federal Fair Labor Standards Act, and shall indemnify, defend, and hold harmless County, its
12 officers, employees, and agents, from any and all liability, including, but not limited to, wages,
13 overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage
14 and hour law, including, but not limited to, the Federal Fair Labor Standards Act, for services
15 performed by Contractor's employees for which County may be found jointly or solely liable.

16 15. INDEMNIFICATION AND INSURANCE:

17 A. Indemnification: Contractor agrees to indemnify, defend, and hold harmless County
18 and its Special Districts, elected and appointed officers, employees, and agents (County) from and
19 against any and all liability and expense, including defense costs and legal fees, arising from or
20 connected with claims and lawsuits for damages or workers' compensation benefits relating to
21 Contractor's operations or its services, which result from bodily injury, death, personal injury, or
22 property damage (including damage to Contractor's property). Contractor shall not be obligated to
23 indemnify for liability and expense arising from the active negligence of the County.

24 B. Insurance: Without limiting Contractor's indemnification of County and during the term
25 of this Agreement, Contractor shall provide and maintain at its own expense the following programs of
26 insurance. Such programs and evidence of insurance shall be satisfactory to County and primary to
27 and not contributing with any other insurance maintained by County. Certificates or other evidence of
28 coverage and certified copy(ies) of additional insured endorsements shall be delivered to Department of
29 Mental Health, Attention: Chief, Contracts Development and Administration Division prior to
30 commencing services under this Agreement, shall specifically identify this Agreement, and shall contain
31 express conditions that County is to be given written notice by registered mail at least thirty (30) days
32 in advance of any modification or termination of insurance.

33 Failure by Contractor to procure and maintain the required insurance shall constitute a material
34 breach of contract upon which County may immediately terminate or suspend this Agreement.

1 (1) Liability: Such insurance shall be endorsed naming the County of Los Angeles
2 as an additional insured and shall include, but not be limited to:

3 (a) General Liability: General liability insurance written on a commercial
4 general liability policy Form CG 00 01 or its equivalent covering the hazards of premises/operations,
5 contractual, independent contractors, advertising, products completed operations, broad form property
6 damage, and personal injury with a combined single limit of not less than ONE MILLION DOLLARS
7 (\$1,000,000) per occurrence and TWO MILLION DOLLARS (\$2,000,000) aggregate with no
8 exclusions.

9 (b) Business Automobile Liability: Form CA 00 01 or its equivalent,
10 endorsed for all owned, non-owned and hired vehicles (involved in the provision of services under this
11 Agreement) and non-owned automobile hazards with a combined single limit of ONE MILLION
12 DOLLARS (\$1,000,000) per occurrence.

13 (2) Professional Liability: (ERRORS & OMISSIONS) Insurance covering professional
14 services which includes any service requiring State licensing as a professional or requiring in-depth,
15 specialized knowledge not available to a member of the general public such as physicians,
16 psychologists, drug counselors, attorneys, accountants, computer programmers, architects, engineers
17 and surveyors with a limit of ONE MILLION DOLLARS (\$1,000,000) per occurrence, TWO MILLION
18 DOLLARS (\$2,000,000) aggregate with no exclusions. The policy should be on a claims made form
19 and shall be required to provide an extended two-year reporting period commencing upon termination of
20 said Agreement. (Limits required for obstetricians, gynecologists, and surgeons should be a least TWO
21 MILLION DOLLARS (\$2,000,000) per occurrence, THREE MILLION DOLLARS (\$3,000,000)
22 aggregate.)

23 (3) Workers' Compensation: With statutory limits and employers' liability
24 insurance with limits of not less than ONE MILLION DOLLARS (\$1,000,000) per accident, ONE
25 MILLION DOLLARS (\$1,000,000) per employee for disease and ONE MILLION DOLLARS (\$1,000,000)
26 aggregate policy limit for all diseases.

27 16. WARRANTY AGAINST CONTINGENT FEES:

28 A. Contractor warrants that no person or selling agency has been employed or retained
29 to solicit or secure this Agreement upon any agreement or understanding for any commission,
30 percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established
31 commercial or selling agencies maintained by Contractor for the purpose of securing business.

32 B. For breach or violation of this warranty, County shall have the right to immediately
33 terminate this Agreement and, in its sole discretion, to deduct from the Agreement price or
34 consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or

1 contingent fee.

2 17. CONFLICT OF INTEREST:

3 A. No County employee whose position in County enables such employee to influence
4 the award or administration of this Agreement or any competing agreement, and no spouse or
5 economic dependent of such employee, shall be employed in any capacity by Contractor or have any
6 direct or indirect financial interest in this Agreement. No officer or employee of Contractor who may
7 financially benefit from the provision of services hereunder shall in any way participate in County's
8 approval, or ongoing evaluation, of such services, or in any way attempt to unlawfully influence
9 County's approval or ongoing evaluation of such services.

10 B. Contractor shall comply with all conflict of interest laws, ordinances and regulations
11 now in effect or hereafter to be enacted during the term of this Agreement. Contractor warrants
12 that it is not now aware of any facts that create a conflict of interest. If Contractor hereafter
13 becomes aware of any facts that might reasonably be expected to create a conflict of interest, it
14 shall immediately make full written disclosure of such facts to County. Full written disclosure shall
15 include, without limitation, identification of all persons implicated and complete description of all
16 relevant circumstances.

17 18. UNLAWFUL SOLICITATION: Contractor shall require all of its employees to acknowledge, in
18 writing, understanding of and agreement to comply with the provisions of Article 9 of Chapter 4 of
19 Division 3 (commencing with Section 6150) of California Business and Professions Code (i.e., State
20 Bar Act provisions regarding unlawful solicitation as a runner or capper for attorneys) and shall take
21 positive and affirmative steps in its performance hereunder to insure that there is no violation of
22 such provisions by its employees. Contractor shall utilize the attorney referral service of all those
23 bar associations within the County of Los Angeles that have such a service.

24 19. INDEPENDENT STATUS OF CONTRACTOR:

25 A. This Agreement is by and between County and Contractor and is not intended, and
26 shall not be construed, to create the relationship of agent, servant, employee, partnership, joint
27 venture, or association, as between County and Contractor. The employees and agents of one party
28 shall not be, or be construed to be, the employees or agents of the other party for any purpose
29 whatsoever.

30 B. Contractor shall be solely liable and responsible for providing to, or on behalf of, all
31 persons performing work pursuant to this Agreement all compensation and benefits. County shall
32 have no liability or responsibility for the payment of any salaries, wages, unemployment benefits,
33 disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any
34 personnel provided by or on behalf of Contractor.

1 C. Contractor understands and agrees that all persons performing services pursuant to
2 this Agreement are, for purposes of workers' compensation liability, the sole employees of
3 Contractor and not employees of County. Contractor shall be solely liable and responsible for
4 furnishing any and all workers' compensation benefits to any person as a result of any injuries arising
5 from or connected with any services performed by or on behalf of Contractor pursuant to this
6 Agreement.

7 D. Contractor shall provide to County an executed Contractor Employee
8 Acknowledgement of Employer (Exhibit D) for each of its employees performing services under this
9 Agreement. Such Acknowledgements shall be delivered to DMH's Contracts Development and
10 Administration Division on or immediately after the commencement date of this Agreement, but in
11 no event later than date any such employee first performs services under this Agreement.

12 20. CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFF OR FORMER
13 COUNTY EMPLOYEES ON A REEMPLOYMENT LIST:

14 Should Contractor require additional or replacement personnel after the effective date of this
15 Agreement to perform the services set forth herein, Contractor shall give first consideration for such
16 employment openings to qualified permanent County employees who are targeted for layoff or
17 qualified former County employees who are on a reemployment list during the term of this
18 Agreement.

19 21. CONSIDERATION FOR HIRING GREATER AVENUES FOR INDEPENDENCE (GAIN)
20 PARTICIPANTS:

21 Should Contractor require additional or replacement personnel after the
22 effective date of this Agreement, Contractor shall give consideration for any such employment
23 openings to participants in the County's Department of Public Social Services' Greater Avenues for
24 Independence (GAIN) Program who meet Contractor's minimum qualifications for the open position.
25 The County will refer GAIN participants by job category to the Contractor.

26 22. DELEGATION AND ASSIGNMENT: Contractor shall not delegate its duties or assign its
27 rights under this Agreement, or both, either in whole or in part, without the prior written consent of
28 County. Any prohibited delegation or assignment shall be null and void and shall constitute a
29 material breach of this Agreement upon which County may immediately terminate this Agreement.
30 Any payments by County to any delegatee or assignee on any claim under this Agreement, in
31 consequence of any such consent, shall be subject to set off, recoupment, or other reduction for any
32 claim that Contractor may have against County.

33 23. SUBCONTRACTING:

34 A. No performance of this Agreement, or any portion thereof, shall be subcontracted by
Contractor without the prior written consent of County as provided in this Paragraph 23. Any

1 attempt by Contractor to subcontract any performance, obligation, or responsibility under this
2 Agreement, without the prior written consent of County, shall be null and void and shall constitute a
3 material breach of this Agreement. Notwithstanding any other provision of this Agreement, in the
4 event of any such breach by Contractor, this Agreement may be terminated forthwith by County.
5 Notwithstanding any other provision of this Agreement, the parties do not in any way intend that
6 any person or entity shall acquire any rights as a third party beneficiary of this Agreement.

7 B. If Contractor desires to subcontract any portion of its performance, obligations, or
8 responsibilities under this Agreement, Contractor shall make a written request to County for written
9 approval to enter into the particular subcontract. Contractor's request to County shall include:

- 10 (1) The reasons for the particular subcontract.
- 11 (2) A detailed description of the services to be provided by the subcontract.
- 12 (3) Identification of the proposed subcontractor and an explanation of why and
13 how the proposed subcontractor was selected, including the degree of competition involved.
- 14 (4) A description of the proposed subcontract amount and manner of
15 compensation, together with Contractor's cost or price analysis thereof.
- 16 (5) A copy of the proposed subcontract that shall contain the following provision:
17 "This contract is a subcontract under the terms of the prime contract
18 with the County of Los Angeles and shall be subject to all of the provisions of
19 such prime contract."
20 (6) A copy of the proposed subcontract, if in excess of \$10,000 and utilizes State
21 funds, shall also contain the following provision:
22 "The contracting parties shall be subject to the examination and audit of the
23 Auditor General for a period of three years after final payment under contract
24 (Government Code, Section 8546.7)."

25 The Contractor will also be subject to the examination and audit of the
26 State Auditor General for a period of three years after final payment under contract
27 (Government Code, Section 8546.7).

- 28 (7) Any other information and/or certifications requested by County.

29 C. County shall review Contractor's request to subcontract and shall determine, in its sole
30 discretion, whether or not to consent to such request on a case-by-case basis.

31 D. Contractor shall indemnify and hold harmless County, its officers, employees, and
32 agents, from and against any and all liability, damages, costs, and expenses, including, but not limited
33 to, defense costs and legal fees, arising from or related to Contractor's use of any subcontractor,
34 including any officers, employees, or agents of any subcontractor, in the same manner as required for

1 Contractor, its officers, employees, and agents, under this Agreement.

2 E. Notwithstanding any County consent to any subcontracting, Contractor shall remain
3 fully liable and responsible for any and all performance required of it under this Agreement, including,
4 but not limited to, the obligation to properly supervise, coordinate, and perform, all work required
5 hereunder, and no subcontract shall bind or purport to bind County. Further, County approval of any
6 subcontract shall not be construed to limit in any way Contractor's performance, obligations, or
7 responsibilities, to County, nor shall such approval limit in any way any of County's rights or remedies
8 contained in this Agreement. Additionally, County approval of any subcontract shall not be construed
9 in any way to constitute the determination of the allowability or appropriateness of any cost or
10 payment under this Agreement.

11 F. In the event that County consents to any subcontracting, such consent shall be subject
12 to County's right to give prior and continuing approval of any and all subcontractor personnel providing
13 services under such subcontract. Contractor shall assure that any subcontractor personnel not
14 approved by County shall be immediately removed from the provision of any services under the
15 particular subcontract or that other action is taken as requested by County. County shall not be liable
16 or responsible in any way to Contractor, to any subcontractor, or to any officers, employees, or agents
17 of Contractor or any subcontractor, for any liability, damages, costs or expenses arising from or related
18 to County's exercise of such right.

19 G. In the event that County consents to any subcontracting, such consent shall be subject
20 to County's right to terminate, in whole or in part, any subcontract at any time upon written notice to
21 Contractor when such action is deemed by County to be in its best interest. County shall not be liable
22 or responsible in any way to Contractor, to any subcontractor, or to any officers, employees, or agents
23 of Contractor or any subcontractor, for any liability, damages, costs, or expenses arising from or related
24 to County's exercise of such right.

25 H. In the event that County consents to any subcontracting, each and all of the provisions
26 of this Agreement and any amendment thereto shall extend to, be binding upon, and inure to the
27 benefit of, the successors or administrators of the respective parties.

28 I. In the event that County consents to any subcontracting, such consent shall apply to
29 each particular subcontract only and shall not be, or be construed to be, a waiver of this Paragraph 23
30 or a blanket consent to any further subcontracting.

31 J. In the event that County consents to any subcontracting, Contractor shall be solely
32 liable and responsible for any and all payments and/or other compensation to all subcontractors and
33 their officers, employees, and agents. County shall have no liability or responsibility whatsoever for
34 any payment and/or other compensation for any subcontractors or their officers, employees, and

1 agents.

2 K. Contractor shall deliver to the Chief of DMH's Contracts Development and
3 Administration Division a fully executed copy of each subcontract entered into by Contractor pursuant
4 to this Paragraph 23, on or immediately after the effective date of the subcontract but in no event later
5 than the date any services are performed under the subcontract.

6 L. In the event that County consents to any subcontracting, Contractor shall obtain and
7 maintain on file an executed Subcontractor Employee Acknowledgment of Employer, in the form as
8 contained in Contractor's Negotiation Package for the Agreement, for each of the subcontractor's
9 employees performing services under the subcontract. Such Acknowledgments shall be delivered to
10 the Chief of DMH's Contracts Development and Administration Division on or immediately after the
11 commencement date of the particular subcontract but in no event later than the date such employee
12 first performs any services under the subcontract.

13 M. County shall have no liability or responsibility whatsoever for any payment or other
14 compensation for any subcontractor or its officers, employees, and agents.

15 N. Director is hereby authorized to act for and on behalf of County pursuant to this
16 Paragraph 23, including, but not limited to, consenting to any subcontracting.

17 24. GOVERNING LAW, JURISDICTION AND VENUE: This Agreement shall be governed by, and
18 construed in accordance with, the laws of the State of California. Contractor agrees and consents
19 to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this
20 Agreement and further agrees and consents that venue of any action brought hereunder shall be
21 exclusively in the County of Los Angeles, California.

22 25. COMPLIANCE WITH APPLICABLE LAW:

23 A. Contractor shall comply with all Federal, State, and local laws, ordinances, rules,
24 regulations, manuals, guidelines, Americans with Disabilities Act (ADA) standards, and directives
25 applicable to its performance hereunder. Further, all provisions required thereby to be included in
26 this Agreement are hereby incorporated herein by reference.

27 B. Contractor shall indemnify and hold harmless County from and against any and all
28 liability, damages, costs or expenses, including, but not limited, defense costs and attorneys' fees,
29 arising from or related to any violation on the part of Contractor, its officers, employees, or agents,
30 of any such Federal, State or local laws, ordinances, rules, regulations, manuals, guidelines, ADA
31 standards, or directives.

32 26. THIRD PARTY BENEFICIARIES: Notwithstanding any other provision of this Agreement, the
33 parties do not in any way intend that any person or entity shall acquire any rights as a third party
34 beneficiary of this Agreement.

1 27. LICENSES, PERMITS, REGISTRATIONS, ACCREDITATION, AND CERTIFICATES: Contractor
2 shall obtain and maintain in effect during the term of this Agreement, all licenses, permits,
3 registrations, accreditation, and certificates required by all Federal, State, and local laws, ordinances,
4 rules, regulations, guidelines and directives, which are applicable to Contractor's facility(ies) and
5 services under this Agreement. Contractor shall further ensure that all of its officers, employees, and
6 agents, who perform services hereunder, shall obtain and maintain in effect during the term of this
7 Agreement all licenses, permits, registrations, accreditation, and certificates which are applicable to
8 their performance hereunder. A copy of each such license, permit, registration, accreditation, and
9 certificate required by all applicable Federal, State, and local laws, ordinances, rules, regulations,
10 guidelines and directives shall be provided, in duplicate, to DMH's Contracts Development and
11 Administration Division.

12 28. TERMINATION FOR CONVENIENCE: Any of the parties of this Agreement may terminate
13 services by written notice to the other party and shall become effective (30) days from the date of
14 the written notice, unless otherwise stated in the termination letter. Any party providing such
15 termination shall not be liable or responsible for any liability, monetary or otherwise, resulting from
16 any termination, in whole or in part, of that party's involvement in this Agreement. Termination
17 shall be final and shall release the party from any further responsibility to provide service under the
18 terms and conditions of this Agreement.

19 29. TERMINATION FOR INSOLVENCY:

20 A. County may terminate this Agreement forthwith in the event of the occurrence of
21 any of the following:

22 (1) Insolvency of Contractor. Contractor shall be deemed to be insolvent if it has
23 ceased to pay its debts for at least sixty days in the ordinary course of business or cannot pay its
24 debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy
25 Code and whether or not Contractor is insolvent within the meaning of the Federal Bankruptcy Code.

26 (2) The filing of a voluntary or involuntary petition regarding Contractor under the
27 Federal Bankruptcy Code.

28 (3) The appointment of a Receiver or Trustee for Contractor.

29 (4) The execution by Contractor of a general assignment for the benefit of
30 creditors.

31 B. The rights and remedies of County provided in this Paragraph 30 shall not be
32 exclusive and are in addition to any other rights and remedies provided by law or under this
33 Agreement.

1 30. TERMINATION FOR DEFAULT:

2 A. County may, by written notice of default to Contractor, terminate this Agreement in
3 any one of the following circumstances:

4 (1) If, as determined in the sole judgment of County, Contractor fails to perform
5 any services within the times specified in this Agreement or any extension thereof as County may
6 authorize in writing; or

7 (2) If, as determined in the sole judgment of County, Contractor fails to perform
8 and/or comply with any of the other provisions of this Agreement, or so fails to make progress as to
9 endanger performance of this Agreement in accordance with its terms, and in either of these two
10 circumstances, does not cure such failure within a period of five days (or such longer period as
11 County may authorize in writing) after receipt of notice from County specifying such failure.

12 B. In the event that County terminates this Agreement as provided in Subparagraph A,
13 County may procure, upon such terms and in such manner as County may deem appropriate,
14 services similar to those so terminated, and Contractor shall be liable to County for any reasonable
15 excess costs incurred by County, as determined by County, for such similar services.

16 C. The rights and remedies of County provided in this Paragraph 30 shall not be
17 exclusive and are in addition to any other rights and remedies provided by law or under this
18 Agreement.

19 31. TERMINATION FOR IMPROPER CONSIDERATION: COUNTY may, by written notice to
20 Contractor, immediately terminate the right of Contractor to proceed under this Agreement if it is
21 found that consideration, in any form, was offered or given by Contractor, either directly or through
22 an intermediary, to any County officer, employee or agent with the intent of securing the agreement
23 or securing favorable treatment with respect to the award, amendment or extension of the
24 Agreement or the making of any determinations with respect to the Contractor's performance
25 pursuant to the Agreement. In the event of such termination, County shall be entitled to pursue the
26 same remedies against Contractor as it could pursue in the event of default by the Contractor.

27 Contractor shall immediately report any attempt by a County officer or employee to solicit
28 such improper consideration. The report shall be made either to the County manager charged with
29 the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at
30 (213) 974-0914 or (800) 544-6861.

31 Among other items, such improper consideration may take the form of cash, discounts,
32 service, the provision of travel or entertainment, or tangible gifts.

33 32. SEVERABILITY: If any provision of this Agreement or the application thereof to any person
34 or circumstance is held invalid, the remainder of this Agreement and the application of such provision

1 to other persons or circumstances shall not be affected thereby.

2 33. CAPTIONS AND PARAGRAPH HEADINGS: Captions and paragraph headings used in this
3 Agreement are for convenience only and are not a part of this Agreement and shall not be used in
4 construing this Agreement.

5 34. ALTERATION OF TERMS: No addition to, or alteration of, the terms of the body of this
6 Agreement, or the Exhibits hereto, whether by written or oral understanding of the parties, their
7 officers, employees or agents, shall be valid unless made in the form of a written amendment to this
8 Agreement which is formally approved and executed by the parties in the same manner as this
9 Agreement.

10 35. ENTIRE AGREEMENT: The body of this Agreement; and Exhibits A through D, attached
11 hereto and incorporated herein by reference; shall constitute the complete and exclusive statement
12 of understanding between the parties which supersedes all previous agreements, written or oral, and
13 all other communications between the parties relating to the subject matter of this Agreement. In
14 the event of any conflict or inconsistency in the definition or interpretation of any word,
15 responsibility, or schedule, or the contents or description of any service or other work, or otherwise,
16 between the body of this Agreement and the other referenced documents, or between such other
17 documents, such conflict or inconsistency shall be resolved by giving precedence first to the body of
18 this Agreement and then to such other documents according to the following priority:

- 19 1. Exhibit A (Statement of Work).
- 20 2. Exhibit B (Fee Schedule).
- 21 3. Exhibit C (Contractor Acknowledgement and Confidentiality Agreement).
- 22 4. Exhibit D (Contractor Employee Acknowledgement of Employer).

23 36. WAIVER: No waiver by County of any breach of any provision of this Agreement shall
24 constitute a waiver of any other breach of such provision. Failure of County to enforce at any time,
25 or from time to time, any provision of this Agreement shall not be construed as a waiver thereof.
26 The rights and remedies set forth in this Paragraph 36 shall not be exclusive and are in addition to
27 any other rights and remedies provided by law or under this Agreement.

28 37. EMPLOYMENT ELIGIBILITY VERIFICATION: Contractor warrants that it fully complies with
29 all Federal statutes and regulations regarding employment of aliens and others and that all its
30 employees performing services hereunder meet the citizenship or alien status requirements set forth
31 in Federal statutes and regulations. Contractor shall obtain, from all covered employees performing
32 services hereunder, all verification and other documentation of employment eligibility status required
33 by Federal statutes and regulations as they currently exist and as they may be hereafter amended.
34 Contractor shall retain all such documentation for the period prescribed by law. Contractor shall

1 indemnify, defend, and hold harmless County, its officers and employees from and against any
2 employer sanctions and any other liability which may be assessed against Contractor or County in
3 connection with any alleged violation of any Federal statutes or regulations pertaining to the
4 eligibility for employment of persons performing services under this Agreement.

5 38. PUBLIC ANNOUNCEMENTS AND LITERATURE: In public announcements and literature
6 distributed by Contractor for the purpose of apprising patients/clients and the general public of the
7 nature of its treatment services, Contractor shall clearly indicate that the services which it provides
8 under this Agreement are funded by the County of Los Angeles. Contractor shall not distribute any
9 such announcements and literature without the prior written consent of the Director. Director shall
10 have the sole and absolute right to grant or deny such consent.

11 39. AUTHORIZATION WARRANTY: Contractor represents and warrants that the person
12 executing this Agreement for Contractor is an authorized agent who has actual authority to bind
13 Contractor to each and every term, condition, and obligation of this Agreement and that all
14 requirements of Contractor have been fulfilled to provide such actual authority.

15 40. RESTRICTIONS ON LOBBYING: If any Federal funds are to be used to pay for any of
16 Contractor's services under this Agreement, Contractor shall fully comply with all certification and
17 disclosure requirements prescribed by Section 319 of Public Law 101-121 (31 United States Code
18 Section 1352) and any implementing regulations, and shall ensure that each of its subcontractors
19 receiving funds under this Agreement also fully complies with all such certification and disclosure
20 requirements.

21 41. CERTIFICATION OF DRUG-FREE WORK PLACE: Contractor certifies and agrees that
22 Contractor and its employees shall comply with DMH's policy of maintaining a drug-free work place.
23 Contractor and its employees shall not manufacture, distribute, dispense, possess, or use any
24 controlled substances as defined in 21 United States Code Section 812, including, but not limited to,
25 marijuana, heroin, cocaine, and amphetamines, at any of Contractor's facilities or work sites or
26 County's facilities or work sites. If Contractor or any of its employees is convicted of or pleads nolo
27 contendere to any criminal drug statute violation occurring at any such facility or work site, then
28 Contractor, within five days thereafter, shall notify Director in writing.

29 42. COUNTY LOBBYISTS: Contractor and each County lobbyist or County lobbying firm as
30 defined in Los Angeles County Code Section 2.160.010, retained by Contractor, shall fully comply
31 with County's Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of
32 Contractor or any County lobbyist or County lobbying firm retained by Contractor to fully comply
33 with County's Lobbyist Ordinance shall constitute a material breach of this Agreement upon which
34 County may immediately terminate or suspend this Agreement.

1 43. MAINTENANCE STANDARDS FOR SERVICE DELIVERY SITES: Contractor shall assure that
2 all locations where services are provided under this Agreement are operated at all times in
3 accordance with all County community standards with regard to property maintenance and repair,
4 graffiti abatement, refuse removal, fire safety, landscaping, and in full compliance with all applicable
5 local laws, ordinances, and regulations relating to the property. County's periodic monitoring visits
6 to Contractor's facility(ies) shall include a review of compliance with this Paragraph 43.

7 44. CHILD SUPPORT COMPLIANCE PROGRAM:

8 A. Contractor's Acknowledgement of County's Commitment to Child Support
9 Enforcement: The Contractor acknowledges that the County places a high priority on the
10 enforcement of child support laws and the apprehensive of child support evaders. The Contractor
11 understands that it is the County's policy to encourage all County Contractors to voluntarily post the
12 County's "LA's Most Wanted: Delinquent Parent's" poster in a prominent position at the
13 Contractor's place of business. The County's Child Support Services Department will supply the
14 Contractor with the poster to be used.

15 B. Contractor's Warranty of Adherence to County's Child Support Compliance Program:

16 (1) The Contractor acknowledges that the County has established a goal of
17 ensuring that all individuals who benefit financially from the County through Purchase Order or
18 Agreement are in compliance with their court-ordered child, family and spousal support obligations in
19 order to mitigate the economic burden otherwise imposed upon the County and its taxpayers.

20 (2) As required by the County's Child Support Compliance Program (County Code Chapter
21 2.200) and without limiting the Contractor's duty under this Agreement to comply with all applicable
22 provisions of law, the Contractor warrants that it is now in compliance and shall during the term of this
23 Agreement maintain compliance with employment and wage reporting requirements as required by the
24 Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code
25 Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child
26 Support Services Department Notices of Wage and Earnings Assignment for Child or Spousal Support,
27 pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

28 45. NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT: Contractor
29 shall notify its employees, and shall require each subcontractor to notify its employees, that they
30 may be eligible for the federal Earned Income Credit under the federal income tax laws. Such notice
31 shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice
32 1015.

33 46. USE OF RECYCLED-CONTENT PAPER PRODUCTS: Consistent with the Board of
34 Supervisors' policy to reduce the amount of solid waste deposited at the County landfills, the

1 Contractor agrees to use recycled-content paper to the maximum extent possible on the Project.

2 47. CONTRACTOR RESPONSIBILITY AND DEBARMENT: The following requirements set forth in
3 the Ordinance are effective for this contract, except to the extent applicable State and/or Federal
4 laws are inconsistent with the terms of the Ordinance.

5 A. A responsible Contractor is a Contractor who has demonstrated the attribute of
6 trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the
7 contract. It is the County's policy to conduct business only with responsible contractors.

8 B. The Contractor is hereby notified that, in accordance with Chapter 2.202 of the
9 County Code, if the County acquires information concerning the performance of the Contractor on
10 this or other contracts which indicates that the Contractor is not responsible, the County may, in
11 addition to other remedies provided in the contract, debar the Contractor from bidding on County
12 contracts for a specified period of time not to exceed 3 years, and terminate any or all existing
13 contracts the Contractor may have with the County.

14 C. The County may debar a contractor if the Board of Supervisors finds, in its
15 discretion, that the Contractor has done any of the following: (1) violated any term of a contract
16 with the County, (2) committed any act or omission which negatively reflects on the Contractor's
17 quality, fitness or capacity to perform a contract with the County or any other public entity, or
18 engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense
19 which indicates a lack of business integrity or business honesty, or (4) made or submitted a false
20 claim against the County or any other public entity.

21 D. If there is evidence that the Contractor may be subject to debarment, the
22 Department will notify the Contractor in writing of the evidence which is the basis for the proposed
23 debarment and will advise the Contractor of the scheduled date for a debarment hearing before the
24 Contractor Hearing Board.

25 E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed
26 debarment is presented. The Contractor and/or the Contractor's representative shall be given an
27 opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall
28 prepare a proposed decision, which shall contain a recommendation regarding whether the contractor
29 should be debarred, and, if so, the appropriate length of time of the debarment. If the Contractor
30 fails to avail itself of the opportunity to submit evidence to the Contractor Hearing Board, the
31 Contractor may be deemed to have waived all rights of appeal.

32 F. A record of the hearing, the proposed decision and any other recommendation of the
33 Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors
34 shall have the right to modify, deny or adopt the proposed decision and recommendation of the

1 Hearing Board.

2 G. These terms shall also apply to subcontractors/subconsultants of County
3 Contractors.

4 48. CONTRACTOR'S EXCLUSION FROM PARTICIPATION IN A FEDERALLY FUNDED PROGRAM:

5 Contractor hereby warrants that neither it nor any of its staff members is restricted or excluded
6 from providing services under any health care program funded by the Federal government, directly or
7 indirectly, in whole or in part, and that Contractor will notify Director within thirty (30) calendar days
8 in writing of: (1) any event that would require Contractor or a staff member's mandatory exclusion
9 from participation in a Federally funded health care program; and (2) any exclusionary action taken
10 by any agency of the Federal government against Contractor or one or more staff members barring it
11 or the staff members from participation in a Federally funded health care program, whether such bar
12 is direct or indirect, or whether such bar is in whole or in part.

13 Contractor shall indemnify and hold County harmless against any and all loss or damage
14 County may suffer arising from any Federal exclusion of Contractor or its staff members from such
15 participation in a Federally funded health care program.

16 Failure by Contractor to meet the requirements of this Paragraph shall constitute a material breach of
17 contract upon which County may immediately terminate or suspend this Agreement.

18 49. COMPLIANCE WITH JURY SERVICE PROGRAM:

19 A Jury Service Program: This Agreement is subject to the provisions of the County's
20 ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections
21 2.203.010 through 2.203.090 of the Los Angeles County Code.

22 B Written Employee Jury Service Policy:

23 (1) Unless Contractor has demonstrated to the County's satisfaction either that
24 Contractor is not a "Contractor" as defined under the Jury Service Program
25 (Section 2.203.020 of the County Code) or that Contractor qualifies for an
26 exception to the Jury Service Program (Section 2.203.070 of the County
27 Code), Contractor shall have and adhere to a written policy that provides that
28 its Employees shall receive from the Contractor, on an annual basis, no less
29 than five days of regular pay for actual jury service. The policy may provide
30 that Employees deposit any fees received for such jury service with the
31 Contractor or that the Contractor deduct from the Employee's regular pay the
32 fees received for jury service.

33 (2) For purposes of this Section, "Contractor" means a person, partnership,
34 corporation or other entity which has an Agreement with the County or a

1 subcontract with a County Contractor and has received or will receive an
2 aggregate sum of \$50,000 or more in any 12-month period under one or more
3 County Agreements or subcontracts. "Employee" means any California
4 resident who is a full-time employee of Contractor. "Full-time" means 40 hours
5 or more worked per week or a lesser number of hours if: 1) the lesser number
6 is a recognized industry standard as determined by the County, or 2)
7 Contractor has a long-standing practice that defines the lesser number of hours
8 as full-time. Full-time employees providing short-term, temporary services of
9 90 days or less within a 12-month period are not considered full-time for
10 purposes of the Jury Service Program. If Contractor uses any subcontractor to
11 perform services for the County under the Agreement, the subcontractor shall
12 also be subject to the provisions of this Section. The provisions of this Section
13 shall be inserted into any such subcontract Agreement and a copy of the Jury
14 Service Program shall be attached to the Agreement.

15 (3) If Contractor is not required to comply with the Jury Service Program when the
16 Agreement commences, Contractor shall have a continuing obligation to review
17 the applicability of its "exception status" from the Jury Service Program, and
18 Contractor shall immediately notify County if Contractor at any time either
19 comes within the Jury Service Program's definition of "Contractor" or if
20 Contractor no longer qualifies for an exception to the Program. In either event,
21 Contractor shall immediately implement a written policy consistent with the
22 Jury Service Program. The County may also require, at any time during the
23 Agreement and at its sole discretion, that Contractor demonstrate to the
24 County's satisfaction that Contractor either continues to remain outside of the
25 Jury Service Program's definition of "Contractor" and/or that Contractor
26 continues to qualify for an exception to the Program.

27 (4) Contractor's violation of this section of the Agreement may constitute a
28 material breach of the Agreement. In the event of such material breach,
29 County may, in its sole discretion, terminate the Agreement and/or bar
30 Contractor from the award of future County Agreements for a period of time
31 consistent with the seriousness of the breach.

32 50. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT: The parties acknowledge
33 the existence of the Health Insurance Portability and Accountability Act of 1996 and its
34 implementing regulations ('HIPAA'). Contractor understands and agrees that it is a 'Covered Entity'

1 under HIPAA and, as such, has obligations with respect to the confidentiality, privacy and security
2 of patients' medical information, and must take certain steps to preserve the confidentiality of this
3 information, both internally and externally, including the training of its staff and the establishment of
4 proper procedures for the release of such information, and the use of appropriate consents and
5 authorizations specified under HIPAA.

6 The parties acknowledge their separate and independent obligations with respect to HIPAA, and
7 that such obligations relate to Transactions and Code Sets, Privacy, and Security. Contractor
8 understands and agrees that it is separately and independently responsible for compliance with HIPAA
9 in all these areas and that County has not undertaken any responsibility for compliance on Contractor's
10 behalf. Contractor has not relied, and will not in any way rely, on County for legal advice or other
11 representations with respect to Contractor's obligations under HIPAA, but will independently seek its
12 own counsel and take the necessary measures to comply with the law and its implementing
13 regulations.

14 Contractor and County understand and agree that each is independently responsible for
15 HIPAA compliance and agree to take all necessary and reasonable actions to comply with the
16 requirements of the HIPAA Law and implementing regulations related to Transactions and Code Sets,
17 Privacy, and Security. Each party further agrees to indemnify and hold harmless the other party
18 (including their officers, employees, and agents), for its failure to comply with HIPAA.

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1 51. **NOTICES:** All notices or demands required or permitted to be given under this Agreement
2 shall be in writing and shall be hand delivered with signed receipt or mailed by first class, registered
3 or certified mail, postage pre-paid, addressed to the parties at the following addresses and to the
4 attention of the persons named. Director shall have the authority to execute all notices or demands
5 which are required or permitted by County under this Agreement. Addresses and persons to be
6 notified may be changed by either party by giving ten days prior written notice thereof to the other
7 party.

8
9 To Contractor:

14 Attention:

18 To County:

24 Attention:

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Agreement to be subscribed by County's Director of Mental Health, and Contractor has caused this Agreement to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By

MARVIN J. SOUTHARD, D.S.W.
Director of Mental Health

CONTRACTOR

By

Name

Title

(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL

LLOYD W. PELLMAN
County Counsel

APPROVED AS TO CONTRACT
ADMINISTRATION:

DEPARTMENT OF MENTAL HEALTH

By _____
Chief, Contracts Development and
Administration Division

dls:H/TransHousing/ACOF.doc/04-02-03

STATEMENT OF WORK
A COMMUNITY OF FRIENDS
STEP OUT PROJECT
TRANSITIONAL HOUSING PROGRAM

The Transitional Housing Program (THP) will serve twenty young adults (18 to 21 years of age) with mental disabilities that are emancipating from the Department of Children and Family Services' foster care system. The Department of Mental Health (DMH) will enter into a contractual agreement with A Community of Friends (ACOF) to provide transitional housing and supportive services at an apartment complex located at 2010 E. El Segundo Blvd, Compton, CA 90222 in the unincorporated Los Angeles area of Willowbrook in Service Area 6. ACOF will make available eleven two-bedroom furnished units to house the twenty participants and one resident manager. The goal of THP is to assist these high-risk young adults in obtaining and remaining in permanent housing; increasing their living skills and income level; and achieving greater independence.

SERVICES:

ACOF will provide transitional housing and supportive services to THP participants. ACOF staff will work in collaboration with DMH community providers to ensure that THP participants have the necessary resources to achieve permanent housing and greater self-sufficiency.

Costs eligible for reimbursement under this Agreement include:

- Operating costs of the facility, including but not limited to, utilities, insurance, property management and property maintenance up to \$99,000 annually, or for a partial fiscal year, a pro-rated portion thereof.
- Client expenses for food, personal and incidental items up to \$48,000 annually, or for a partial fiscal year, a pro-rated portion thereof.
- Household costs for items such as bed linens, towels, kitchen supplies, etc. up to \$14,000 annually, or for a partial fiscal year, a pro-rated portion thereof.

FEE SCHEDULE

**A COMMUNITY OF FRIENDS
STEP OUT PROJECT**

TRANSITIONAL HOUSING PROGRAM

A Community of Friends (ACOF) shall on the last day of each month complete the Monthly Claim for Cost Reimbursement form (Attachment I) indicating the categories of expenses and the amount spent. All claims are to be submitted by ACOF to the Department of Mental Health (DMH) within sixty (60) days from the month of the expenditure occurrence.

The Reimbursement form(s) shall be submitted to:

County of Los Angeles - Department of Mental Health
3160 West Sixth Street, 3rd Floor
Los Angeles, CA 90020
ATTN: Homeless and Housing Division

The DMH Homeless and Housing Division Program Manager will review monthly invoices and sign to affirm that expenditures are eligible as outlined in the Statement of Work. Approved forms will be forwarded to the DMH Provider Reimbursement Unit for payment.

DMH shall process all completed requests for operational reimbursement on a monthly basis. The judgment of DMH as to the allowability of any expenditure shall be final.

DMH has allocated ACOF a specified amount of funding (\$27,000 in FY 2002-03; \$161,000 in each of FY's 2003-04 and 2004-05; and \$134,000 in FY 2005-06) for operational expenditures for the Program. DMH Accounting Division will generate monthly reconciliation reports to track expenditures relative to the annual allocation. The County shall not be liable for reimbursement of any expenses hereunder in the event that the Contractor exceeds its allocation or violates the terms and conditions outlined in the Statement of Work or the Transitional Housing Services Agreement.

County of Los Angeles-Department of Mental Health-Provider Reimbursement Division

Monthly Claim for Cost Reimbursement

Fiscal Year _____

SPECIAL HANDLING
REQUIRED

SPECIAL HANDLING
REQUIRED

Operational Expenses

Funding Source Name: A Community of Friends - Transitional Housing Program

Legal Entity Name: _____

Legal Entity Mailing Address: _____

Billing Month(s): _____

Contract Amendment No.: _____

1. Expenditures:

1.1 Operating Costs _____ (1.1)

(prop. mgmt, utilities, prop. maintenance, insurance, etc.) _____ (1.2)

1.2 Food, Personal & Incidental _____

1.3 Household goods (bed linens, towels, kitchen supplies, etc.) _____ (1.3)

2. Total Expenditures (add lines 1.1 through 1.3) _____ (2.)

3. Total Payment Requested _____ (3.)

Comments: _____

I hereby certify that all expenditures contained above are costs eligible under the terms and conditions for reimbursement under the Independent Living Program and are true and correct to the best of my knowledge. All supporting documentation will be maintained in a separate file for the period specified under the provisions of the Transitional Housing Services Agreement, Paragraph 8, Section A, B and C.

Signature: _____

Phone No.: _____

Title: _____

Date: _____

LAC-DMH Program Approval:

Approved By _____

_____ Date

_____ Title

**CONTRACTOR ACKNOWLEDGEMENT
AND CONFIDENTIALITY AGREEMENT**

CONTRACTOR A Community of Friends

CONTRACT NUMBER _____

CONTRACTOR ACKNOWLEDGEMENT:

I understand and agree that I am an independent contractor and that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

CONFIDENTIALITY AGREEMENT:

(You may be involved with work pertaining to services provided by the County of Los Angeles and, if so, you may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, you may also have access to proprietary information supplied by the County of Los Angeles or by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, mental health, criminal and welfare recipient records. If you are to be involved in County work, the County must ensure that you, too, will protect the confidentiality of such data and information. Consequently, you must sign this agreement as a condition of your work for the County. Please read this agreement and take due time to consider it prior to signing.)

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract with the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to the County Project Manager.

CONTRACTOR ACKNOWLEDGEMENT
AND CONFIDENTIALITY AGREEMENT
(Continued)

I agree to keep confidential all financial, health, criminal and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, County proprietary information and all other original materials produced, created or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than County employees who have a need to know the information. I agree that if proprietary information supplied by the County or by other County vendors is provided to me during this engagement, I shall keep such information confidential.

I agree to report to the County Project Manager any and all violations of this contract by myself and/or by any other person of which I became aware. I agree to return all confidential materials to the County Project Manager upon completion of termination of this contract.

I acknowledge that violation of this agreement may subject me to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

NAME: _____ DATE: _____
(Signature)

NAME: _____
(Please print)

POSITION: CONTRACTOR

**CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT
AND CONFIDENTIALITY AGREEMENT**

CONTRACTOR NAME A Community of Friends (Step-Out Program)

EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that I am an employee and that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced Agreement. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

CONTRACTOR AGREEMENT:

(You may be involved with work pertaining to services provided by A Community of Friends (ACOF) Step-Out Program and, if so, you may have access to confidential data and information pertaining to persons and/or entities receiving services from ACOF. In addition, you may also have access to proprietary information supplied by ACOF or by other vendors doing business with ACOF. ACOF has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, mental health, criminal and welfare recipient records. If you are to be involved in County work, the County must ensure that you, too, will protect the confidentiality of such data and information. Consequently, you must sign this agreement as a condition of your work with ACOF. Please read this agreement and take due time to consider it prior to signing.)

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced Agreement with ACOF. I agree to forward all requests for the release of any data or information received by me to the Contractor Project Manager.

I agree to keep confidential all financial, health, criminal and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from ACOF, design concepts, algorithms, programs, formats, documentation, County proprietary information and all other original materials produced, created or provided to or by me under the above referenced Agreement.

**CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT
AND CONFIDENTIALITY AGREEMENT**
(Continued)

I agree to protect these confidential materials against disclosure to other than County employees who have a need to know the information. I agree that if proprietary information supplied by ACOF or by other County vendors is provided to me during this engagement, I shall keep such information confidential.

I agree to report to the Contractor Project Manager any and all violations of this Agreement by myself and/or by any other person of which I became aware. I agree to return all confidential materials to the Contractor Project Manager upon completion of termination of this Agreement.

I acknowledge that violation of this agreement may subject me to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

BY: _____ DATE: _____
(Employee Signature)

NAME: _____
(Please Print)

ds/Exh.D/Step-Out
03/05/2003

ATTACHMENT II

BOARD OF
SUPERVISORS
OFFICIAL COPY

76R 352M (11/83)

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPT'S.
NO. 435

DEPARTMENT OF Mental Health

19

AUDITOR-CONTROLLER.

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

3 1/4-Votes

SOURCES:

Department of Mental Health
Intrafund Transfer-Department of Children & Family Services
A01-MH-20500-6800
\$27,000

USES:

Department of Mental Health
Services & Supplies
A01-MH-20500-2000
\$27,000

This appropriation adjustment is requested to provide spending authority for the Step-Out Transitional Housing Program (THP) with A Community of Friends (ACOF). The THP will provide mental health services to mentally disabled young adults who have emancipated from foster care. This is fully funded by an Intrafund Transfer from Department of Children and Family Services - Independent Living Program funds. No increase in net County cost.


Marvin J. Southard, D.S.W.

Director of Mental Health

CHIEF ADMINISTRATIVE OFFICER'S REPORT

REFERRED TO THE CHIEF
ADMINISTRATIVE OFFICER FOR —

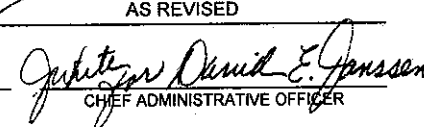
ACTION

RECOMMENDATION

APPROVED AS REQUESTED

AS REVISED

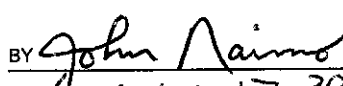
April 17, 2003


CHIEF ADMINISTRATIVE OFFICER

AUDITOR-CONTROLLER

NO. 212

BY


APRIL 17 2003

APPROVED (AS REVISED):
BOARD OF SUPERVISORS

19

BY

DEPUTY COUNTY CLERK

SEND 5 COPIES TO THE AUDITOR-CONTROLLER

**COMMUNITY DEVELOPMENT COMMISSION****County of Los Angeles**

2 Coral Circle • Monterey Park, CA 91755

323.890.7001 • www.lacdc.org

Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Carlos Jackson
Executive Director

September 5, 2000

Honorable Board of Commissioners
Community Development Commission
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

ADOPTED
Community Development Commission

2-D

SEP 05 2000

Violet Varona-Lukens
VIOLET VARONA-LUKENS
EXECUTIVE OFFICER

Dear Commissioners:

**DISPOSITION AND DEVELOPMENT AGREEMENT WITH A COMMUNITY OF
FRIENDS TO DEVELOP 11 APARTMENTS IN UNINCORPORATED
WILLOWBROOK (2)
(3 Vote)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve a Disposition and Development Agreement (DDA), in substantially final form, between the Community Development Commission and A Community of Friends, a non-profit public benefit corporation (the Developer), to develop the Step-Out Apartments, consisting of 11 units of transitional housing for very low-income emancipated foster youth with mental disabilities, to be located at 2010 East El Segundo Boulevard, in unincorporated Willowbrook.
2. Authorize the Executive Director to execute the DDA, and all related documents, to be effective following approval as to form by County Counsel and execution by all parties.
3. Authorize the Executive Director to sell the subject property to the Developer for the appraised value of \$87,000, and to enter into a Site Purchase Loan with the Developer, for the purchase amount, using Community Development Block Grant (CDBG) funds allocated to the Second Supervisorial District.
4. Authorize the Commission to provide to the Developer a loan of up to \$90,294, using HOME Investment Partnerships Program (HOME) funds, for pre-development, construction, and permanent financing.



5. Authorize the Executive Director to execute documents, following approval as to form by County Counsel, to subordinate the Commission's loans to permitted construction and permanent financing.

PURPOSE OF RECOMMENDED ACTION:

The purpose of this action is to approve a DDA, and related actions, between the Commission and the Developer, for the construction of 11 units of transitional housing in the unincorporated Willowbrook area.

JUSTIFICATION:

The proposed DDA will assist the Developer in the acquisition and development of the property, which will provide housing and supportive services for emancipated foster youth with mental disabilities.

FISCAL IMPACT:

There is no impact on the County general fund.

FINANCING:

In 1992, the Commission purchased the subject property with \$223,000 in CDBG funds allocated to the Second Supervisorial District, with the intent of developing low-income multi-family housing. In April 1999, the property, due to the decline in the area's real estate market, was appraised at \$87,000. At that time, the Commission entered into a real estate option agreement with the Developer for the appraised value. The Commission now wishes to enter into a DDA with the Developer, to convey the property for the proposed project.

The attached DDA provides a CDBG Site Purchase Loan of \$87,000, and a HOME Loan of \$90,294 for pre-development, construction and permanent financing costs. Both will be 30-year loans provided at three percent simple interest, evidenced by Promissory Notes and secured by subordinated Deeds of Trust. The loans will be repaid from residual rental receipts generated from the properties. The project will also receive a loan of \$1,063,854 in City of Industry Redevelopment Housing Set-Aside Funds, which was approved on November 18, 1998, by the Housing Authority of the County of Los Angeles. These funds will be used for pre-development, construction and permanent financing. Other financing sources include a \$80,000 Federal Home Loan Bank Affordable Housing Program (AHP) grant, a \$400,000 HUD Supportive Housing Program (SHP) grant, a \$10,000 Norwest Housing Foundation grant, and a \$5,000 Bank of America grant, all of which will fund pre-development and construction costs, and convert to permanent financing.

The estimated total cost for the project is \$1,736,148. A Financial Analysis is provided as Attachment A.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The project will consist of eleven two-bedroom units reserved for very low-income emancipated foster youth with mental disabilities. Very low-income is defined as households with incomes at or below 50 percent of the median household income for the Los Angeles-Long Beach Metropolitan Statistical Area (MSA), adjusted for household size, as determined by the U.S. Department of Housing and Urban Development (HUD). The affordability period will run for 30 years from the date of the DDA.

The development is a collaborative effort between the Developer, the County Department of Mental Health, and the Department of Children and Family Services. The Developer will be the project sponsor and owner and will be responsible for operating the facility. The Department of Children and Family Services will pre-screen and refer to the program eligible young adults. The Department of Mental Health will employ the staff and provide the majority of the program services, through its Children and Family Services Bureaus, which are experienced in providing case management and mental health treatment to this population. These services will include: mental health counseling for individuals and groups; independent living training; employment readiness training; socialization skills; and aftercare. A comprehensive social services program will be available both on-site and off-site, provided by grants from HUD, the Department of Children and Family Services, and the Department of Mental Health.

The project consists of 11 two-story wood frame townhouses, of approximately 1,000 square feet each, with individual front facades. The colored stucco townhouses are bisected by a common walkway bordering semi-private patios, which create a village-like environment and home-like identity for the residents. The complex also includes two community rooms, kitchen facilities and a small reception area. Both community rooms open onto a rear garden, with patio and play areas.

The project is being federally funded, and is not subject to the requirements of the Greater Avenues for Independence (GAIN) Program implemented by the County of Los Angeles. Instead, the Developer must comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.


The DDA is being presented in substantially final form. It will be effective following approval as to form by County Counsel and execution by all parties.

Honorable Board of Commissioners
September 5, 2000
Page 4

IMPACT ON CURRENT PROGRAM:

The proposed action will provide transitional housing and supportive services to very low-income emancipated foster youth with mental disabilities, a group that has not previously had transitional housing targeted to its needs.

Respectfully submitted,


for CARLOS JACKSON
Executive Director

Attachments: 2

**HOUSING FINANCIAL ANALYSIS
STEP-OUT APARTMENTS**

2010 East El Segundo Boulevard, unincorporated Los Angeles County

The project consists of 11 units of transitional housing for emancipated foster youth with mental disabilities, to be located at 2010 East El Segundo Boulevard, in the Willowbrook area of unincorporated Los Angeles County. The units will be reserved for qualified individuals with incomes not exceeding 50 percent of the median income for the Los Angeles/Long Beach Metropolitan Statistical Area (MSA), as defined by the U. S. Department of Housing and Urban Development (HUD).

The following is a financial analysis of the project:

DEVELOPMENT PHASE

	Total	Per Unit Cost
<u>Sources</u>		
City of Industry Loan	\$1,063,854	\$96,714
HOME Loan	90,294	8,209
CDBG Land Acquisition Loan	87,000	7,909
Affordable Housing Program Grant	80,000	7,273
Bank of America Grant	5,000	455
HUD Supportive Housing Program Grant	400,000	36,363
Norwest Housing Foundation Grant	10,000	909
Total	\$1,736,148	\$157,832
<u>Uses</u>		
Land Acquisition	\$87,000	\$7,909
Predevelopment	308,640	28,057
Construction	1,140,508	103,683
Developer Fee	200,000	18,183
Total	\$1,736,148	\$157,832

PERMANENT PHASE

<u>Sources</u>		
City of Industry Loan	\$1,063,854	\$96,714
HOME Loan	90,294	8,209
CDBG Land Acquisition Loan	87,000	7,909
Affordable Housing Program Grant	80,000	7,273
Bank of America Grant	5,000	455
HUD Supportive Housing Program Grant	400,000	36,363
Norwest Housing Foundation Grant	10,000	909
Total	\$1,736,148	\$157,832
<u>Uses</u>		
Permanent Financing	\$1,736,148	\$157,832
Total	\$1,736,148	\$157,832